

VZCZCXYZ0001  
RR RUEHWEB

DE RUEHGP #1671 2530242  
ZNR UUUUU ZZH  
R 100242Z SEP 07  
FM AMEMBASSY SINGAPORE  
TO RUEHC/SECSTATE WASHDC 3957  
INFO RUCPDOG/USDOC WASHDC

UNCLAS SINGAPORE 001671

SIPDIS

STATE FOR EB/TPP/ABT FOR GCLEMENTS  
STATE PASS COMMERCE/ITA/OTEXA FOR MD'ANDREA  
STATE PASS USTR FOR CMILLER

SIPDIS

E.O. 12958: N/A  
TAGS: [KTEX](#) [ECON](#) [ETRD](#) [SN](#)  
SUBJECT: SINGAPORE'S TEXTILES AND APPAREL PRODUCTION

REFS: A) STATE 114799 B) 06 SINGAPORE 3073

¶1. Post provides the following updated responses to information requested ref A concerning Singapore's textile and apparel industry.

¶2. Statistics:

Total Industrial Production:

| Year   | USD (million) |
|--------|---------------|
| 2006   | 152,979       |
| 2007H1 | n.a.          |

Total Textile/Apparel Production:

| Year   | USD (million) |
|--------|---------------|
| 2006   | 519           |
| 2007H1 | n.a.          |

Textile/Apparel's share of Imports/Exports (percent):

| Year   | Imports | Exports |
|--------|---------|---------|
| 2006   | 1.49    | 1.07    |
| 2007H1 | 1.31    | 0.88    |

Textile and apparel exports to the United States: USD (million)

| Year   | Textile Exports | Apparel Exports |
|--------|-----------------|-----------------|
| 2006   | 5.6             | 832.6           |
| 2007H1 | 1.3             | 325.5           |

Total Manufacturing Employment:

|        |         |
|--------|---------|
| 2006   | 382,200 |
| 2007H1 | n.a.    |

Textile/Apparel Employment:

|        |       |
|--------|-------|
| 2006   | 8,281 |
| 2007H1 | n.a.  |

USD Exchange Rate:

|        |        |
|--------|--------|
| 2006   | 1.5336 |
| 2007H1 | 1.5326 |

Sources: International Enterprise (IE) Singapore, Department of Statistics, and Monetary Authority of Singapore

¶3. Singapore's textile and apparel industry continues to diminish in importance compared to key industries such as electronics, chemicals, and precision engineering. As of 2006, the country's domestic production of textiles and apparel represented only 0.3 percent of total manufacturing output, compared to 1.5 percent in 1980. The sector employs about 8,000 workers, 15 percent less than in 2005. Singapore has 615 textile/apparel companies, of which 100 are involved in manufacturing of high-end labels. These manufacturers are subject to zero tariffs under the U.S.-Singapore Free Trade Agreement, which came into effect January 1, 2004. Singapore's textiles and apparel exports to the United States

totalled US\$838.2 million in 2006, representing an increase of nearly 6.0 percent over 2005, but still 7.0 percent less than exports in 2004.

¶4. With government encouragement, the textile and apparel industry has evolved from a low-cost, labor intensive sector (that began to move offshore in the 1980s) into a fashion and design hub. More than 100 home-grown designers and brands currently operate in Singapore. The lifting of WTO textile and apparel quotas in January 2005 has given buyers more leverage to dictate prices to vendors.

¶5. To remain competitive and take advantage of quota eliminations, Singapore manufacturers continue to relocate operations to low-cost neighboring countries, as well as China, South Asia, Central America, and Africa. Restrictions on China imposed by the United States and the European Union have had minimal effect on Singapore companies. Singapore is home to more than 70 international buying houses that source textiles and apparel in South and Southeast Asia worth about US\$2.5 billion annually.

HERBOLD